

NAME: \_\_\_\_\_

# ECONOMIC SYSTEMS

## ECONOMICS

### GUIDED NOTES

### THOUGHTS, REFLECTIONS, LINGERING QUESTIONS

#### DEFINITION OF ECONOMIC SYSTEM

- An \_\_\_\_\_ of a society's people
- \_\_\_\_\_ is why every government needs a system to determine how its resources will be used
- The type of economic system is \_\_\_\_\_ → WHAT?

#### HOW MUCH? FOR WHOM? (To Produce)

1. \_\_\_\_\_ to produce? Which \_\_\_\_\_
  2. \_\_\_\_\_ to produce? What \_\_\_\_\_ to produce goods and services
  3. \_\_\_\_\_ to produce? \_\_\_\_\_ the goods and services once produced
- Depending on how these questions are answered, tells you \_\_\_\_\_ a government/country has.

#### TYPES OF ECONOMIC SYSTEMS

- \_\_\_\_\_ Economy
- \_\_\_\_\_ Economy
- \_\_\_\_\_ Economy
- \_\_\_\_\_ Economy (Market and Command)

#### TRADITIONAL ECONOMY

- WHAT, HOW, & FOR WHOM questions are answered based on \_\_\_\_\_
- Everyone does what their \_\_\_\_\_
- \_\_\_\_\_ in Africa and South America, \_\_\_\_\_ in Canada, Rural India Caste System are all examples
- What is produced is decided by \_\_\_\_\_
- How to produce is decided by \_\_\_\_\_ and how things have been done in the past
- Who is produced for is decided \_\_\_\_\_
- Strengths → \_\_\_\_\_, everyone's \_\_\_\_\_
- Weaknesses → New ideas are \_\_\_\_\_, lack of \_\_\_\_\_, lowers \_\_\_\_\_

What role does scarcity play in economic decisions?

What are some things that are scarce?

What are some positives and negatives of a traditional economy?

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<p><b>COMMAND ECONOMY</b></p> <ul style="list-style-type: none"> <li>• Three basic questions of what, how and for whom are _____</li> <li>• _____ most of the property</li> <li>• Normally in a _____ society</li> <li>• Scarce resources are owned by the _____</li> <li>• Strengths→ _____ at governments whim, _____</li> <li>• Weaknesses→ consumers _____ _____ to get people to work, large _____, little flexibility, _____</li> <li>• North Korea, Cuba, People's Republic of _____, former _____ are examples</li> </ul> <p><b>MARKET ECONOMY</b></p> <ul style="list-style-type: none"> <li>• Also known as _____ or a _____ System</li> <li>• System that is _____ interacting</li> <li>• This is how prices are set based on _____</li> <li>• _____ of goods and services</li> <li>• Questions of what, how and for whom are answered in _____.</li> <li>• Based on _____ between companies.</li> <li>• What is produced is decided _____</li> <li>• How much is produced is determined _____</li> <li>• How to produce is determined _____</li> <li>• For whom it is produced is determined _____</li> <li>• <b>Strengths</b>→ can _____ for individuals, _____ decisions, _____ _____, large _____ of goods and services, consumer _____ is high</li> <li>• <b>Weaknesses</b>→ Productive resources get more attention, _____ are unable to work and are left out, _____ can take over and remove competition</li> <li>• _____ is as close to a pure market example that we have.</li> </ul>	<p>What are some positives and negatives of a command economy?</p> <p>What are some positives and negatives of a market economy?</p>

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#### MIXED ECONOMY

- \_\_\_\_\_ – Some resources are owned by the \_\_\_\_\_ and some are owned by \_\_\_\_\_.
- Government \_\_\_\_\_ in market to ensure success.
- \_\_\_\_\_ are mixed economies, but are heavy on one type or another
- Mixed = \_\_\_\_\_
- What and how to produce is determined \_\_\_\_\_ who own most resources but \_\_\_\_\_
- What is produced is determined \_\_\_\_\_
- How to produce goods and services is determined by \_\_\_\_\_
- Who they are produced for is determined by \_\_\_\_\_
- Brazil, Canada, \_\_\_\_\_ are all examples

#### CAPITALISM / FREE ENTERPRISE

- \_\_\_\_\_ → an economic system in which \_\_\_\_\_
- **Competition** → the \_\_\_\_\_
- **Free Enterprise** → An American Economic system with open \_\_\_\_\_
  - Resources are owned by \_\_\_\_\_
  - \_\_\_\_\_ allocate resources
  - Increase in demand → \_\_\_\_\_
  - People consume products based on their \_\_\_\_\_
  - Income depends on market value of their \_\_\_\_\_
  - \_\_\_\_\_
  - People have the \_\_\_\_\_ their working conditions.
  - Businesses can \_\_\_\_\_ and employees

Give examples of what make the US economy mixed:

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<ul style="list-style-type: none"><li>• _____ – Buyers and sellers engage _____</li><li>• The buyer and the seller get something they believe is _____</li><li>• _____ – People have the right _____<ul style="list-style-type: none"><li>• Houses, cars, skills, talents</li><li>• People _____, save, and invest</li></ul></li><li>• Profit Motive<ul style="list-style-type: none"><li>• _____ – extent to which one is _____ of a period than at the beginning</li><li>• _____ – _____ to improve material well-being</li></ul></li><li>• Role of Entrepreneur _____<ul style="list-style-type: none"><li>• Success is hit or miss</li></ul></li><li>• <b>When Entrepreneurs Succeed:</b><ul style="list-style-type: none"><li>• Entrepreneur _____ business</li><li>• _____ and better paying jobs</li><li>• Consumers get _____</li><li>• _____ gets higher level of economic activity and _____</li></ul></li><li>• <b>Role of Consumer</b> is to _____<ul style="list-style-type: none"><li>• _____ means that the consumer _____ and expresses their wants by purchasing goods and services</li></ul></li><li>• Role of Government is to _____ for consumers, unions, and workers</li><li>• Role of Government is to _____</li></ul>	<p>What powers do consumers have? Explain.</p>



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<p><b>WHICH ECONOMIC SYSTEM IS BEST?</b></p> <ul style="list-style-type: none"><li>• _____ promotes the goals of growth, freedom, &amp; efficiency</li><li>• Citizens _____</li><li>• Citizens _____ _____ way to use it</li><li>• _____ systems are a safer option to _____, but _____ _____ quality</li></ul>	<p>Which economic system do you think is the best? Explain your reasoning.</p>

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# **ECONOMIC SYSTEMS**

<b>Production</b>	<b>MARKET ECONOMY</b>	<b>COMMAND ECONOMY</b>	<b>MIXED ECONOMY</b>
<b>What?</b>			
<b>How Much?</b>			
<b>For Whom?</b>			

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# **POLITICAL SYSTEMS**

	<b>Democracies</b>	<b>Aristocracy</b>	<b>Monarch</b>
<b>Control by:</b>			
<b>Role of the People</b>			
<b>Most likely type of economy</b>			

# Economic Systems

1. Economic System
2. Traditional Economy
3. Command Economy
4. Market Economy
5. Private Property Rights
6. Market
7. Laissez Faire
8. Capitalism
9. Voluntary Exchange
10. Profit
11. Competition
12. Consumer Sovereignty
13. Specialization
14. Circular Flow Model
15. Product Market
16. Factor Market
17. Mixed Economy
18. Nationalize
19. Privatize
20. Global Economy